

Helsingin yliopisto - Helsingfors universitet - University of Helsinki

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Työn nimi-Arbetets titel-Title The effect of the Finnish real exchange rate on industry volumes			
Oppiaine-Läroämne-Subject Economics: General Economics			
Työn laji-Arbetets art-Level Master's thesis		Aika-Datum-Month and year 2010-05-05	Sivumäärä-Sidantal- Number of pages 69
Tiivistelmä-Referat-Abstract We study the effect of the Finnish real exchange rate on the output volumes of 20 manufacturing industries. Our goal is to find out how different industries react to the real exchange rate and whether there are significant differences in these reactions across industries. We use data on industry volumes for the years 1970-2008 supplied by Statistics Finland. Various regression specifications are used to test how the growth rates of industry volumes react to the real exchange rate. We find that the growth rates of manufacturing industries are usually negatively associated with the level of the real exchange. A 10% depreciation of the real exchange rate is associated with a drop of more than 2 percentage points in the growth rate of the whole manufacturing aggregate. Up to 13 industries react significantly (using the 95% confidence level) and negatively to the real exchange rate in some of our regressions. The results are robust to using different deflators in the real exchange rate, to using changes instead of levels of the real exchange rate, including lagged values of the real exchange rate and controlling for the impact of the depression of the early 1990s.			
Avainsanat-Nyckelord-Keywords real exchange rate exchange rate industry volumes volume index of industrial output			
Muita tietoja-Övriga uppgifter-Additional information			